



FOR IMMEDIATE RELEASE
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Istook Says “No Dice” to Special Tax Breaks for Gulf Coast Casinos

Washington, D.C. – Congressman Ernest Istook (R-Warr Acres) announced that there are limits to which of the Gulf Coast businesses ravaged by Hurricanes Katrina, Rita and Wilma will get much needed tax help in order to rebuild. Istook said while the Gulf Opportunity Zone Act of 2005 did pass, it also stopped short of providing tax breaks for casinos, massage parlors and certain other businesses.

Istook and several other Republicans sent a letter to House leaders, arguing that redevelopment tax breaks have always been targeted to certain types of business, and casinos don’t fit that historic definition for redevelopment.

“Gambling promoters don’t need more tax incentives,” said Congressman Istook. **“I’m still concerned with reports that Louisiana used redevelopment money several years ago that was intended to repair levees and spent it instead to build casinos.”**

“This bill is aimed at those businesses that can’t help themselves,” continued Rep. Istook. **“Those casinos are multi-billion dollar operations that don’t need federally-subsidized tax breaks. They have access to money and resources to rebuild; let’s target our assistance toward those who don’t.”**

December 7, 2005

Dear House Leadership:

We are deeply troubled by the possibility that a Gulf region rebuilding tax package could provide tax incentives to massage parlors, liquor stores and casinos. With the Senate-passed bill allowing benefits to flow to these businesses, the House of Representatives MUST include a prohibition.

As you know, Congress has a long history of limiting certain types of businesses from receiving redevelopment tax benefits. What's different today? Why can't – or more accurately, why won't – we continue to say no to using our constituents' hard earned tax dollars to subsidize massage parlors, liquor stores and casinos? Shouldn't we continue that precedent, particularly at a time when we, as Republicans, are trying to rein in federal spending?

The recent budget vote has proven that Congress is willing to make difficult decisions. Prohibiting massage parlors, liquor stores and casinos from getting tax breaks is not a tough call. In fact, there really shouldn't be any debate.

How will Members be able to explain that they are making the difficult choices – slowing the growth of Medicaid, student loan funding and food stamps – while at the same time voting to give casinos, which are boasting of record profits, massage parlors and liquor stores tax breaks? It will be virtually impossible to defend this action.

Fair-minded Americans support tax incentives to spur business reinvestment along the hurricane-ravaged Gulf coast to help victims there rebuild their lives. But we believe they would draw the line - as Congress has historically done - in using taxpayer dollars to rebuild certain businesses.

We encourage you to insist that the final version of the Gulf region rebuilding package have language limiting certain businesses from receiving tax breaks. This is not something out of the ordinary. It has been done before and should be done again. Legislation that does not include these prohibitions would not be acceptable.

Sincerely,

Ernest J. Istook (R-OK)